



VBI VACCINES INC.

(THE “COMPANY”)

MAJORITY VOTING POLICY

The Board of Directors of the Company (the “Board”) believes that each of its members should carry the confidence and support of its shareholders and is committed to upholding high standards in corporate governance.

Forms of proxy for the vote at a shareholders’ meeting where directors are to be elected will enable the shareholder to vote in favour of, or to withhold from voting for, each nominee on an individual basis. At the meeting, the Chair will call for a vote by ballot and the scrutineers will record, with respect to each nominee, the number of shares in his or her favour and the number of shares withheld from voting. Prior to receiving the scrutineer’s report on the ballot, the Chair may announce the vote result based on the number of proxies received by the Company. At the conclusion of the meeting, the final scrutineer’s report on the ballot must be filed on SEDAR.

If, in an uncontested election of Directors, the number of shares “withheld” for any nominee equals or exceeds the number of shares voted “for” the nominee, then, notwithstanding that such Director was duly elected as a matter of corporate law, he or she shall immediately tender his or her written resignation to the Board. An “uncontested election” means an election where the number of nominees for Director is not greater than the number of Directors to be elected. The Corporate Governance and Nominating Committee will consider such offer of resignation and will make a recommendation to the Board concerning the acceptance or rejection of the resignation. The Board will accept the resignation absent exceptional circumstances, and such resignation will be effective when accepted by the Board. In its deliberations, the Corporate Governance and Nominating Committee may consider such extenuating circumstances as it deems appropriate. The Board will take formal action on the Corporate Governance and Nominating Committee’s recommendation within 90 days after the date of the applicable shareholders’ meeting and will promptly announce its decision via press release, a copy of which shall be provided to the Toronto Stock Exchange. If the Board declines to accept the resignation, such press release will fully state the reason or reasons for its decision.

No Director who is required to tender his or her resignation shall participate in the Corporate Governance and Nominating Committee’s deliberations or recommendations or in the Board’s deliberations or determination.

If a resignation is accepted by the Board, and subject to any corporate law restrictions, the Board may leave any resulting vacancy unfilled until the next annual general meeting, or may appoint a new Director to fill the vacancy who the Board considers to merit the confidence of the shareholders, or may call a special meeting of shareholders at which there will be presented a management slate to fill the vacant position or positions.

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Adopted by the Board of Directors of VBI Vaccines Inc. on August 28, 2015.